

## THE INDIANAPOLIS STAR

### Federal grant promotes energy-efficient housing

■ State given \$200,000 for program offering lower mortgage rates for energy-smart homes.

By Rebecca Wolf  
STAR STAFF WRITER

State officials accepted a \$200,000 federal grant Tuesday that will allow Indiana to expand a program promoting energy-efficient housing.

The Department of Energy grant will allow the state to rate 2,500 homes for energy efficiency and train building officials and builders to understand and comply with building codes.

The ratings and training are all part of the Energy Rated Homes of Indiana program. The program allows consumers to get lower mort-

gage interest rates if they purchase an energy-efficient home.

A symbolic check was presented Tuesday to Lt. Gov. Frank O'Bannon by U.S. Secretary of Energy Hazel O'Leary in front of an Energy Rated Home at the Eagle's Landing housing development, just east of Eagle Creek Airport.

"Indiana is truly honored to receive a grant that will help our ERHI program expand its capabilities," O'Bannon said. "Because of the program, Hoosiers will be able to lower their energy bills, and (it may) help others qualify for mortgages they might not otherwise be able to get."

The goal of the energy-rated homes program is to give builders incentive to comply with or even exceed Indiana building codes, re-

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sulting in more energy-efficient houses.

"If a person is going to use an energy-efficient mortgage, they can stretch their debt-to-income ratio, which is basically a recognition they have lower utility bills so they can afford a higher mortgage payment," said Mark Jansen, program coordinator for the Office of Energy Policy at the Indiana Department of Commerce.

Spokesmen for the department explained the program uses a five-star rating system.

At the request of a home buyer, seller, builder or lender, certified raters go to homes and inspect them. They examine several parts of the house, including insulation, how airtight the home is and the efficiency of its energy-consuming equipment.

Homes that are around 20 years old will have a rating of one or two stars, a Commerce spokesman

five stars may allow homeowners to save up to \$1,000 in heating and cooling costs a year. A four-star rating demonstrates compliance with the 1992 Indiana Energy Conservation Code.

Raters can also examine homes and provide estimates of utility costs and offer recommendations for specific energy improvements. The cost of having a rater inspect a house is usually between \$150 and \$250, depending on the size of the home.

The ERHI program is a market-based program, set up to entice builders into building energy-efficient homes because they can be used as a marketing tool.

"It's an incentive-based system instead of a regulatory-based system," said Mark Boyce, vice president of C.P. Morgan, an Indianapolis-area builder. He likes the system because it gives good builders recognition they deserve.

Indiana is one of about 20 states to rate homes based on energy efficiency. So far, 380 homes



Star Staff Photo / Rob Goebel

**COMPUTER EFFICIENCY:** Hazel O'Leary, U.S. secretary of energy, tries out a computer program which compares homes for energy efficiency Tuesday. Mark Jansen (far right), program coordinator of the Indiana Department of Commerce's Energy Policy Division, helps O'Leary out with the computer. Lt. Gov.